

**BEFORE**  
**THE PUBLIC SERVICE COMMISSION OF**  
**SOUTH CAROLINA**  
**DOCKET NO. 2005-49E**

RECEIVED  
2005 MAR -9 PM 3:37  
SC PUBLIC SERVICE  
COMMISSION

**IN RE:**      Application of Duke Power, a Division of Duke      )  
                 Energy Corporation, for Approval of the      )      **APPLICATION**  
                 Transfer and Sale of Property in North Carolina      )

Duke Power, a division of Duke Energy Corporation ("Applicant" or the "Company"), hereby applies to the Public Service Commission of South Carolina ("Commission") for approval of the transfer and sale of certain real estate, known as the Salem Creek Operation Center located in Winston-Salem, Forsyth County, North Carolina (the "Property" or "Salem Creek," and more fully described in Exhibit "A"). The property is located in Duke Power's service area in North Carolina. This Application is made pursuant to Section 58-27-1300, Code of Laws of South Carolina, (1976, as amended) and other applicable rules and regulations. In support of this Application, the Company shows the Commission the following:

1.      Its general offices are at 422 South Church Street, Charlotte, North Carolina, and its mailing address is:

Duke Power  
422 S. Church Street, PBO5E  
Charlotte, North Carolina 28202

2.      The name and address of Applicant's attorneys are:

Lawrence B. Somers, Assistant General Counsel  
Duke Power, a division of Duke Energy Corporation  
P.O. Box 1244, PBO5E  
Charlotte, North Carolina 28201-1244  
(704) 382-8142

William F. Austin  
Richard L. Whitt  
Austin, Lewis & Rogers, P.A.  
508 Hampton Street  
Columbia, South Carolina 29201  
(803) 256-4000

3. Copies of all pleadings, orders or correspondence in this proceeding should be served upon the attorneys listed above.
4. The Company is a public utility engaged in the generation, transmission, distribution, and sale of electric energy in the central portion of North Carolina and the western portion of South Carolina and is subject to the jurisdiction of this Commission.
5. Salem Creek consists of certain real estate which is not required for the Company's current utility operations. Exhibit "A" provides a detailed description of the Property.
6. Salem Creek is being sold to East Coast Capital, Inc., a North Carolina Corporation. This transaction will not affect the Company's ability to provide reliable service to its customers at just and reasonable rates.
7. The Company and East Coast Capital, Inc. entered into an Agreement of Purchase and Sale for the Property at a sales price of \$1,861,314.00 on December 12, 2003. The appraisal of the market value of the Property was \$1,584,000.00, as indicated by an appraisal letter dated October 28, 2002<sup>1</sup>, by M. Douglas Avent, Jr., a State Certified General Real Estate Appraiser in North Carolina, with offices located in Winston-Salem, North Carolina. Exhibit "B" hereto is a copy of the appraisal letter. The depreciated book value of the Property is \$1,423,424.00. The appraised property includes parcels totaling 42.07 acres, improved with five

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<sup>1</sup> Although the Appraisal was not completed within the past year, the Company believes that that fact is not material in that the Property has been continuously under contract with the stated buyer, since the date stated above and a new appraisal was not necessary.

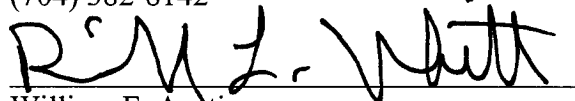
significant structures and various small storage sheds. These structures include a garage facility of approximately 9,789 square feet, an associated maintenance building containing approximately 3,642 square feet, a two-story office building containing approximately 17,346 square feet, a two-story operation center facility containing approximately 21,907 square feet, and a small office building containing approximately 2,066 square feet.

8. Salem Creek is located at 1414 Doune Street, with the other structures having an address on South Broad Street in Winston-Salem, N.C. 27103. This site housed operations that have been relocated to newer facilities, consolidated into other company facilities or moved to more appropriate space, rendering this property surplus. McGill Realty of Winston-Salem began marketing the property in December 1999 and affidavits of publication are attached as Exhibit "C" showing notice of sale to the public. McGill has represented this property continuously since then.
9. The original cost of the Property being sold will be credited as a reduction of the amount carried upon the books of the Company under Account 101, "Electric Plant in Service". The difference between the sales price and the original cost of the non-depreciable Property will be applied to Account 421.10, "Gain on Disposition of Property" or Account 421.20, "Loss on Disposition of Property".
10. Also, the Chief of Staff of the South Carolina Office of Regulatory Staff has been served with a copy of this application and exhibits.
11. Applicant requests that (i) this Commission inquire into this matter, (ii) if no substantial opposition develops, (iii) this Commission hear and approve this matter at the next appropriate weekly agenda session, (iv) issue an appropriate order approving the relief sought in the Company's application and (v) such other and further relief as this Commission may deem just and proper.

WHEREFORE, Applicant prays that, pursuant to Section 58-27-1300, Code of Laws of South Carolina (1976, as amended) and other applicable rules and regulations, the Commission enter an order approving the transfer and sale of the subject property.

This the 9<sup>th</sup> day of March, 2005.

Lawrence B. Somers  
Assistant General Counsel  
P.O. Box 1244, PBO5E  
Charlotte, North Carolina 28201-1244  
(704) 382-8142

A handwritten signature in black ink, appearing to read "R. L. Whitt", is written over a horizontal line.

William F. Austin  
Richard L. Whitt  
Austin, Lewis & Rogers, P.A.  
508 Hampton Street  
Columbia, South Carolina 29201  
(803) 256-4000

Attorneys for Applicant, Duke Power, a Division of  
Duke Energy Corporation

Columbia, South Carolina

**BEFORE**  
**THE PUBLIC SERVICE COMMISSION OF**  
**SOUTH CAROLINA**  
**DOCKET NO. 2005-49-E**

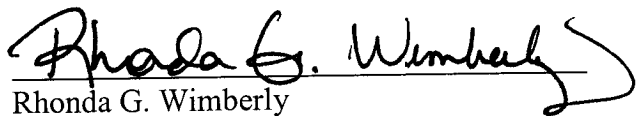
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COMMISSION

**IN RE:**    Application of Duke Power, a Division of Duke,    )  
             Energy Corporation, for Approval of the        ) **CERTIFICATE OF SERVICE**  
             Transfer and Sale of Property in North Carolina    )

I, the undersigned, an employee of Austin, Lewis and Rogers, P.A., attorneys for Duke Power, a division of Duke Energy Corporation, do hereby certify that I have served the foregoing **APPLICATION** by hand delivery as set forth below:

**VIA HAND DELIVERY**

Dan Arnett  
Chief of Staff  
Office of Regulatory Staff  
Third Floor, 1441 Main Street  
Columbia, South Carolina 29201

  
Rhonda G. Wimberly

March 9, 2005

**EXHIBIT A**

**Description of the Property  
Salem Creek Operation Center Disposal**

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SC PUBLIC WORKS  
COMMISSION

The following parcels of real property and all improvements located thereon in Winston-Salem, Forsyth County, North Carolina, and more particularly described as follows:

- Tract (1): Located on the West side of Broad Street and North and South of Salem Creek, further identified as being a portion of Forsyth County Tax Office Block 2418, the area determined by survey to be 27.27 acres. From this tract Duke Energy is reserving 5.82 acres in fee for its present and future use and retaining 13.58 acres in right-of-way.
- Tract (2): Located West of Broad Street and North of Salem Creek, further identified as Duke land unit # 0040880, Forsyth County Tax Office Block 583, lot 101 containing 0.12 acres. Duke is to retain all in right-of-way.
- Tract (3): Located West of Broad Street and North of Salem Creek, further identified as Duke land unit #0042966, Forsyth County Tax Office Block 583, lot 102 and lot 103 containing a total of 0.38 acres. Duke is to retain 0.08 acres in right-of-way.
- Tract (4): Located between Broad Street and Main Street, South of Salem Creek, further identified as being a portion of Forsyth County Tax Office Block 2414 and Duke land units #0057806 and #0057807 containing a total of 14.32 acres. From this tract Duke Energy is reserving 1.38 acres in fee and 11.53 acres in right-of-way and easements for its present and future use.
- Tract (5): This tract identified in our contract as subject to Main Street widening has been conveyed to the NCDOT with no remainder to be conveyed to East Coast Capital, Inc.
- Tract (6): This tract identified in our contract as subject to Main Street widening has been conveyed to the NCDOT with no remainder to be conveyed to East Coast Capital, Inc.
- Tract (7): Located on the East side of Main Street, further identified as Forsyth County Tax Office Block 6083, lot 3 and Duke land unit #0040542 containing 0.15 acres. Duke is to retain all in right-of-way.
- Tract (8): Located on the East side of Main Street, further identified as Forsyth County Tax Office Block 6083, lot 6 and Duke land unit #0043976 containing 0.13 acres. Duke is to retain all in right-of-way.

**Exhibit "A"**

**Page 2**

- Tract (9): Located between Peter's Creek Parkway and Washington Park, further identified as Forsyth County Tax Office Block 3812, lot 21 and Duke land unit #0042942 and containing approximately 5.56 acres. Duke is to retain 4.82 acres in right-of-way.
- Tract (10): Located between Peter's Creek Parkway and Washington Park, further identified as Forsyth County Tax Office Block 3812, lot 20 and Duke land unit #0042855 and containing approximately 1.24 acres. Duke is to retain all in right-of-way.

Exhibit "B"

**MICHAEL D. AVENT & ASSOCIATES, INC.**

REAL ESTATE APPRAISERS & CONSULTANTS  
SUITE 317, 514 S. STRATFORD ROAD  
WINSTON-SALEM, NORTH CAROLINA 27103

MICHAEL D. AVENT, MAI, SRA  
M. DOUGLAS AVENT, JR., SRA  
GREGORY R. GORDON  
KRISTINA A. GORDON

TELEPHONE (336) 724-3801  
FAX NUMBER (336) 724-3820

October 28, 2002

Mr. Jerry Bush  
Duke Energy  
1615 Conrad Road  
Lewisville, NC 27023

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2005 MAR -9 PM 3:38  
SC PUBLIC SERVICE  
COMMISSION

Re: Appraisal of the Duke Energy Salem Creek Operation Center and The Broad Street Retail Substation Property Located at Broad St. and Doune St. Including the Building and Land Across Broad St. From the Main Portion.

Dear Mr. Bush:

In accordance with your request, I am furnishing an appraisal on the above captioned property.

After inspecting the property, and analyzing data relating thereto, it is my opinion that its value is indicated in the order of **\$1,584,000**

This is broken down as follows:

Value of the Property on the Eastern Side of Broad St. = \$1,377,000

Value of the Property on the Western Side of Broad St = \$207,000

Total Value = **\$1,584,000**

The attached report documents this opinion, but if any additional information is needed, please let us know.

Sincerely,

M. Douglas Avent, Jr. SRA



# MCGILL REALTY

1204-D REYNOLDA ROAD  
WINSTON-SALEM NC 27104-1122  
(336) 723-6677

February 15, 2005

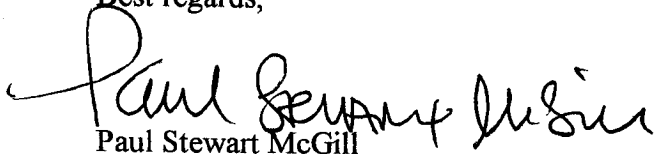
Mr. Glenn Winfree  
DUKE ENERGY  
500 Utility Drive  
Clemmons, N.C. 27012

RE: Marketing of Broad Street Property  
Winston Salem, N.C.

Dear Mr. Winfree:

I marketed this property for Mr. Jerry Bush, Duke Energy from December 17, 1999 thru today. Please see affidavit of ads run in *The Winston Salem Journal* enclosed. It was officially put under the current contract on December 16, 2003. If I can help or answer any questions, please do not hesitate to call me at 336-723-6677.

Best regards,

  
Paul Stewart McGill  
MCGILL REALTY

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## AFFIDAVIT OF PUBLICATION

Before the undersigned, a Notary Public of said County and State, duly commissioned, qualified, and authorized by law to administer oaths, personally appeared D.H. Stanfield, who being duly sworn, deposes and says: that he is Controller of the Winston-Salem Journal, engaged in the publishing of a newspaper known as Winston-Salem Journal, published, issued and entered as second class mail in the City of Winston-Salem, in said county and State: that he is authorized to make this affidavit and sworn statement: that the notice or other legal advertisement, a true copy of which is attached hereto, was published in Winston-Salem Journal on the following date(s):

May 14<sup>th</sup> through June 10<sup>th</sup>, 2002

and that the said newspaper in which such notice, paper document, or legal advertisement was published was, at the time of each and every such publication, a newspaper meeting all the requirements and qualifications of Section 1-597 of the General Statutes of North Carolina and was a qualified newspaper within the meaning of Section 1-597 of the general statutes of North Carolina.

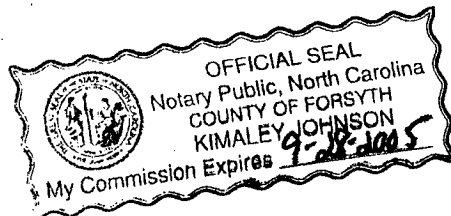
This 24<sup>th</sup> day of June, 2002

*DH Stanfield*  
(signature of person making affidavit)

Sworn to and subscribed before me, this 24<sup>th</sup> day of June, 2002

*Kimalee Johnson*  
Notary Public

My Commission expires: September 28, 2005



WINSTON-SALEM JOURNAL PROOF

Customer: MCGILL REALTY Contact: PAUL Phone: 3367236677

Address: 1204 D REYNOLDA ROAD  
WINSTON-SALEM NC 27104

Ad Number: 325608 ✓

Insert Dates: 05/14/2002 05/15/2002 05/16/2002 05/17/2002 05/18/2002 05/19/2002 05/20/2002 05/21/2002 05/22/2002  
05/23/2002 05/24/2002 05/25/2002 05/26/2002 05/27/2002 05/28/2002 05/29/2002 05/30/2002 05/31/2002 ✓  
06/01/2002 06/02/2002 06/03/2002 06/04/2002 06/05/2002 06/06/2002 06/07/2002 06/08/2002 06/09/2002

Price: 158.51 ✓

Section: CL Class: 403; COMMERCIAL PROPERTY FOR SALE Size: 1 x 4.00

Printed By: SYSADMIN Date: 06/21/2002

Signature of Approval: Paul Bennett Date: May 12, 2002

## AFFIDAVIT OF PUBLICATION

Before the undersigned, a Notary Public of said County and State, duly commissioned, qualified, and authorized by law to administer oaths, personally appeared D.H. Stanfield, who being duly sworn, deposes and says: that he is Controller of the Winston-Salem Journal, engaged in the publishing of a newspaper known as Winston-Salem Journal, published, issued and entered as second class mail in the City of Winston-Salem, in said county and State: that he is authorized to make this affidavit and sworn statement: that the notice or other legal advertisement, a true copy of which is attached hereto, was published in Winston-Salem Journal on the following date(s):

March 28<sup>th</sup> through April 24<sup>th</sup>, 2002

and that the said newspaper in which such notice, paper document, or legal advertisement was published was, at the time of each and every such publication, a newspaper meeting all the requirements and qualifications of Section 1-597 of the General Statutes of North Carolina and was a qualified newspaper within the meaning of Section 1-597 of the general statutes of North Carolina.

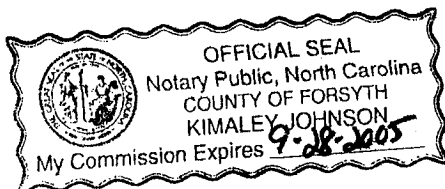
This 24<sup>th</sup> day of June, 2002

DH Stanfield  
(signature of person making affidavit)

Sworn to and subscribed before me, this 24<sup>th</sup> day of June, 2002

Kimalee Johnson  
Notary Public

My Commission expires: September 28, 2005



## WINSTON-SALEM JOURNAL PROOF

Customer: MCGILL REALTY Contact: PAUL Phone: 3367236677

Address: 1204 D REYNOLDA ROAD  
WINSTON-SALEM NC 27104

Ad Number: 316182

Insert Dates: 03/28/2002 03/29/2002 03/30/2002 03/31/2002 04/01/2002 04/02/2002 04/03/2002 04/04/2002 04/05/2002  
04/06/2002 04/07/2002 04/08/2002 04/09/2002 04/10/2002 04/11/2002 04/12/2002 04/13/2002 04/14/2002  
04/15/2002 04/16/2002 04/17/2002 04/18/2002 04/19/2002 04/20/2002 04/21/2002 04/22/2002 04/23/2002  
04/24/2002

Price: 158.51

Section: CL Class: 403; COMMERCIAL PROPERTY FOR SALE Size: 1 x 4.00

Printed By: SYSADMIN Date: 06/26/2002

Signature of Approval:  Date: 